



CITY OF SUNNYVALE

2004/2005 ACTION PLAN

Annual Update of the City's Consolidated Plan for the Period
July 1, 2004 to June 30, 2005

The 2004/2005 Action Plan for the City of Sunnyvale is the annual update to the City's Consolidated Plan for the Period July 1, 2000 to June 30, 2005. The plan outlines and describes the eligible programs, projects and activities the City plans to undertake with federal resources expected to be available during the year to address the priorities described in the strategy and also other private and non-federal resources that may be made available to leverage the federal resources.

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INTRODUCTION

In May of 2000, the Sunnyvale Council adopted a Five-Year Consolidated Plan for the years 2000-05. The purpose of the Consolidated Plan is to describe local conditions and resources; identify a jurisdiction's overall needs for affordable housing, human service, and non-housing community development; and outline a strategy to address those needs in order to improve the quality of life in Sunnyvale. The Consolidated Plan and the annual Action Plan updates are submitted to the U.S. Department of Housing and Urban Development (HUD) to enable the City of Sunnyvale to receive and administer federal funds under the Community Development Block Grant (CDBG) and HOME programs. The Plan includes three main components:

The **Community Profile** describes the characteristics of the Sunnyvale population and housing, the affordable housing needs of various income groups, the homeless, and those with special needs who require supportive services, as well as non-housing community development needs.

The **Five-Year Strategy** describes priorities and actions to address the community needs for the years 2000-05.

In February 2003 the Community Development Department prepared a Community Development (CD) Strategy. The main purpose of the CD Strategy is to guide the use of the City's limited resources to achieve the maximum possible community development benefit. It is an investment strategy. It is intended to direct city investment over the next five years in a manner, which will best maintain and improve the vitality of Sunnyvale and all of its neighborhoods.

The CD Strategy identified specific needs in the city and areas with a high level of concentrated need. New expanded Housing and Neighborhood activities include acquisition, new construction, multi-family rehabilitation, preserving at risk units, concentrated code enforcement, and neighborhood support including neighborhood improvements and first time homebuyer support. The CD Strategy describes the activities to be undertaken that will enhance and expand the effectiveness of city programs.

The **One-Year Action Plan** allocates the available funds to specific programs to carry out the Action Plan on a yearly basis. The plan also describes the activities to be undertaken.

The Housing Division of the City of Sunnyvale is the lead agency responsible for overseeing the development of the Action Plan.

Citizen Participation

The draft plan was available for review during a 30-day public comment period that began April 7, 2004. A public hearing was held on the draft Plan at the Housing and Human Services Commission meeting on April 28, 2004. The City Council held an additional public hearing on the plan on May 11, 2004.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

The City updated its Analysis of Impediments (AI) to Fair Housing Choice in February, 2003 and submitted the AI to HUD and the National Fair Housing Agency. The update incorporated Census 2000 data, the Fair Housing Study of 2002, and other local and regional studies of the housing market. The AI presents information on fair housing issues in the City and reviews the wide range of activities that the City currently participates in or supports to further fair housing choice.

The City will continue to collaborate with the cities of Mountain View and Palo Alto in its joint contract to provide fair housing services. Established last year, the goal of entering into a joint contract was to enhance cost effectiveness as well as the scope and quality of services.

The following lists the actions, strategies and activities that the City plans to pursue for the up-coming year to further fair housing choice and opportunities.

Coordinate with other Organizations to Address Fair Housing Issues

The City recognizes that its resources to support fair housing services are limited and that cooperation and collaborating with other agencies and jurisdictions is a high priority.

The City will undertake the following activities this year:

- Participate in the ongoing efforts of a countywide Fair Housing Task Force in order to improve the provision of fair housing services on a regional basis. Last year, the City organized a countywide focus group comprised of: CDBG coordinators, fair housing service providers, other related service providers, representatives from a citizens advisory group, and other interested parties. The Fair Housing Task Force will continue to gather information on fair housing activity and issues of regional importance in Santa Clara County.
- Support the efforts of the Housing and Human Services Commission to participate in the City's fair housing activities and work with other local organizations.

Provide Funding to Project Sentinel to Reduce Discrimination in Housing

Funded by and selected jointly by the cities of Mountain View, Palo Alto, and Sunnyvale to reduce discrimination in housing, Project Sentinel shall undertake the following activities:

Task 1. Community Education and Outreach

- Goal 1. Provide educational seminars and training workshops. The agency shall conduct at least one fair housing workshop. Information shall be provided to owners and mobilehome owners, landlords/managers and property managers (specifically in areas identified in CD Strategy)

and staff of rental housing and real estate and lending professionals.

- Goal 2. Educate potential renters and buyers regarding their rights under fair housing laws. Specifically, provide fair housing informational materials to households occupying or waiting to occupy BMR rental and BMR ownership units.
- Goal 3. Inform the public of fair housing services and resources utilizing local media. To further the activities of fair housing to celebrate Fair Housing Month in Sunnyvale, the agency shall organize a community event for Fair Housing Week e.g. *Fair Housing Month Poster Contest* for school children in 4th-8th grades. Winners will be recognized at an awards ceremony

Task 2. Advocacy and Investigation

- Goal 1. Receive, evaluate and process claims at the most efficient level. Provide information and referral services.
- Goal 2. Provide 16 consultations regarding rental property rules and regulations related to fair housing.
- Goal 3. Provide 30 individual counseling sessions and when necessary, mediation/conciliation.
- Goal 4. Provide legal representation where appropriate.
- Goal 5. Monitor compliance with fair housing practices. This will include the monitoring of Below Market Rate (BMR) rental sites and surveying of BMR renter occupants to assess perceptions of housing discrimination. The agency shall also recruit and maintain a pool of 100 trained testers

Task 3. Coalition Work and Reporting

- Goal 1. Provide City with monthly and quarterly reports
- Goal 2. Collaborate with fair housing attorneys in the area.
- Goal 3. Work with Cities' staff to assess and develop programs to respond to the sub-region's fair housing needs and accomplish the goals in City's AI.

HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

Sunnyvale plans to continue to utilize CDBG funds to fund providers of shelter and homeless services. These include the following:

Sunnyvale Community Services: provides emergency services, counseling, financial as well as food and clothing for low-income residents in crisis, or at risk of becoming homeless.

Clara Mateo Alliance: provides shelter and supportive services to individuals, couples

and families to assist them in obtaining stable housing and self-sufficiency.

Community Association for Rehabilitation: provides services to families and individuals who have developmental and/or other disabilities.

Cupertino Community Services: provides the rotating shelter in churches and support services such as food, rental assistance, medical assistance and housing and gas vouchers.

Emergency Housing Consortium: provides emergency shelter and support services in a number of locations in the County as well as operating the winter shelter in the Sunnyvale armory.

Support Network for Battered Women: provides shelter and support services for victims of domestic violence.

Homeless Prevention

Santa Clara County Homeless Collaborative: The City will cooperate with and participate in the County-wide Homeless Collaborative program in their efforts to find funding for shelter and services to the homeless and other housing projects. This will include efforts to obtain greater funding for the Emergency Rental and Mortgage Assistance Program operated by the Emergency Assistance Network of which Sunnyvale Community Services is the local provider. Sunnyvale will also continue to work with other cities in the County to increase the number of year-round shelter beds and other services for homeless individuals and families. The Collaborative has successfully competed for grants for other projects targeted to the homeless in the County.

Emergency Housing Consortium (EHC) has submitted a proposal for CDBG funds in the amount of \$50,000 for "Our House", a Homeless Shelter and Service Center for Runaway Youth. The proposed project will serve a youth runaway program and the site will include 10 beds of emergency shelter.

Transition to Permanent Housing

Sunnyvale is supporting transitional and permanent housing solutions for extremely low-income to low-income individuals through various collaborative projects.

Mid-Peninsula Housing Coalition (MPHC) is ready to begin the construction of 66 new units of affordable housing at Moulton Plaza and groundbreaking is tentatively scheduled for June 2004. Moulton Plaza will provide affordable family and senior housing to very low income (30% to 50% of area median) as well as additional opportunities for people to move into permanent housing.

The City is in the final states of negotiation with Christian Church Homes (CCH) for the acquisition of Plaza de las Flores, a 100 unit preservation project that will insure that permanent and affordable housing to very low income seniors and families remains

affordable for the next 55 years. Last year, CCH requested for \$1,450,000. The City committed CDBG and HOME funds totaling \$973,312. CCH will be requesting from City Housing Funds for the balance of approximately \$476,688.

OTHER ACTIONS

The City will continue to enlist the support of housing service agencies to provide shelter and support services and find housing alternatives for families facing homelessness. This objective is a continuation of housing service programs currently offered by private, non-profit agencies subsidized by the City. The plan is to continue offering these programs locally and wherever possible to expand the service provisions to meet demonstrated needs.

The City intends to find opportunities to provide housing for residents in the community that have been identified in need. The primary barriers to meeting the underserved need is the limited funds that are available for affordable housing and that the City has limited opportunities for the development of new construction.

In an effort to expand the City's resource of existing Community Housing Development Organizations (CHDO's), to identify CHDOs that are capable of carrying out elements of the City's approved consolidated plan, and to specifically engage in activities that will create opportunities for affordable homeownership, the City issued a request for proposals from CHDO's. The target for this effort was to encourage CHDOs to develop projects including first time homebuyer housing opportunities as described in the CD Strategy. This may include the acquisition, rehabilitation and sale of homes/condos by the CHDO's in the San Juan, Hola and Ahwanee (CD Strategy) areas of the City, with the City providing financial support to the CHDO to assist with the development of the project. Then the City may provide down payment assistance to the purchaser to insure affordability. The City will set-aside a portion of its HOME funds to fund a portion of the operating costs of a CHDO up to two years. The total budget amount for 2004/05 is \$35,000.

During the up-coming year, the City plans to support its indirect costs by preparing an Indirect Cost Allocation Plan for submittal and review by HUD. The City will also begin the process of the sale of City-owned property, a single family residence that has been used as affordable rental housing. The sale of the property will be used to fund affordable housing projects which provide benefit to a greater number of households. Since CDBG funds were used to acquire the property, the disposition of the property will result in reimbursement and program income to that fund.

The City will also seek proposals for the development of its five-year Consolidated Plan that will cover the period from July 1, 2005 to June 30, 2010. Both CDBG and HOME funds will fund this activity.

Lead Based Paint

The City will continue to include information about lead-based paint hazards and specific information about how to survey a building for such hazards and how to abate them with its outreach efforts for rehabilitation and conservation programs.

The City will inform all contractors that they will be required to attend Lead Paint Safety training, which addresses lead safe work practices, before receiving notification of future bid openings.

Through the rehabilitation program, the City will continue to offer technical assistance to homeowners that will include information on lead-based paint abatement as well as providing information on maintaining, upgrading, and improving their property. In addition, homeowners and painting contractors will be required to view the "Safe Work Practices" video developed by the City and read the "Lead Paint Safety" field guide prior to participating in the Paint Program.

Staff will continue to be kept abreast of lead-safe housing regulations by attending training and coordinating activities jointly with other local participating jurisdictions.

LOCAL PROGRAMS

Landlord-Tenant Relations/Community Issues and Neighborhood Disputes

Landlord-Tenant Relations is currently funded from general funds at a level of \$102,905 to provide services to residents, landlords, property managers, and owners of property in the form of counseling, conciliation, mediation and general educational outreach. The agency is proposing the same level of funding for the 2004-05 PY.

During 2003/04, on behalf of the City, Project Sentinel has scheduled a series of educational workshops to mobilehome residents. The goal of the workshops is to provide mobile home owners accurate information about relevant regulations and to increase their understanding of the City's limited role in mobile home issues. Project Sentinel presented two workshops and six more are scheduled that will provide information about the laws governing mobilehome ownership, maximizing credit and finance options, and learning about anti-discrimination protections.

Project Sentinel designed and conducted 8 workshops for the City's current Below Market Rate homeowners attended by a total of approximately 164 homeowners. These workshops provided information on how to identify predatory lending practices. Project Sentinel will continue to provide workshops that will include information on BMR program issues, predatory lending, and credit issues. Project Sentinel has also created a video that has been watched by 12 BMR homeowners.

New Construction

City of Sunnyvale Affordable Housing and Single Room Occupancies Ordinance (Below Market Rate Program)

This ordinance, revised and adopted in February 2003 implements the Below Market Rate (BMR) policies for new residential construction by requiring that 12.5% of all new ownership units constructed, except those units in R-0, R-1, R-1.5 or R-1.7/PD zones be affordable to low to moderate income households. For rental units, ten percent of the

total number of dwelling units shall be maintained as below market rate. In the event that apartment vacancy rates reach levels of three percent or less and rents show a net increase of 20% or more during a twenty-four month period based on the Sunnyvale vacancy and rent survey, BMR units in rental developments shall be increased to fifteen percent of the total number of units. Affordability is restricted to terms of 30 years for ownership units and 55 years for rental units.

The City is continuing to work with developers of 19 projects that are beginning the application process or beginning construction and will be providing below market rate rental or ownership units. These new projects will provide at least 80 BMR Purchase and 14 BMR rental units over the next two years. Of these amounts, 34 purchase units and 9 rental units will soon be available for occupancy this year. Two developers have contacted the City to obtain names of potential buyers from the BMR Wait list that was recently established.

Acquisition/Preservation of Low-Income Housing Stock and Assistance to First Time Homebuyers

Housing Fund

The Housing Fund can be used for acquisition, rehabilitation, new construction and predevelopment costs of affordable housing. Currently, the fund has approximately \$8.6 million.

Council will be considering City Housing Funds for the balance of the total loan requested by Christian Church Homes (CCH). The total loan request was for \$1,450,000. Last year, the City committed HOME and CDBG funds totaling \$973,312. The remaining \$476,688 will be recommended for Council consideration from the City Housing Fund. The City will provide funds for acquisition financing of Plaza de Las Flores, a senior housing, "expiring-use" project that will preserve the affordability of 100 units of senior housing.

Currently, CCH is negotiating with CalHFA for its final commitment request for permanent, tax-exempt first mortgage financing in the amount of Nine Million and Twenty-Five Thousand Dollars (9,025,000). CCH is also awaiting a loan commitment from the Santa Clara Housing Trust Fund who has provided a letter of interest for a deferred loan of \$500,000. The Santa Clara Housing Trust Loan Committee will meet in June to review CCH's loan application. To ensure affordability of the Plaza and that all 100 residential units will continue to be reserved for very low-income and extremely low-income elderly households, Christian Church Homes entered into a new 20-year HAP Contract with HUD.

The City will continue to address affordable housing for teachers and City employees through the "Housing for Public School Employees, City Employees and Child Care Teachers (HPCC) Program". This program, funded by the City Housing Fund, provides security deposit rental assistance, first time homebuyer education and down payment loans for home ownership.

The City Housing Fund has also been used as a means to leverage funds for the

Housing Trust Fund of Santa Clara County (HTSCC). Sunnyvale provided a second contribution of \$500,000 in July 2003 to assist the HTSCC in obtaining eligible matching funds from the State of California Housing and Emergency Shelter Trust Fund Act of 2002 (Proposition 46).

Housing Bond Fund

The Housing Bond Fund was created by the cities involved in the Santa Clara County Housing Bond Committee. Presently there are no projects in the city that will be receiving allocations from this fund.

Housing Trust of Santa Clara County (HTSCC)

Non-profit, private and public sectors, including the Housing Collaborative, the Silicon Valley Manufacturing Group, Santa Clara County and local cities came together to develop the Housing Trust Fund aka HTSCC as an innovative response to the housing shortage. As previously mentioned, last year, the City made a second contribution of \$500,000 from the City Housing Fund to the HTSCC. The City's contribution assisted the HTSCC to obtain eligible matching funds from the State of California Housing and Emergency Shelter Trust Fund Act of 2002 (Proposition 46). Furthermore, the City's contribution will assist the HTSCC in continuing with its efforts as an investment pool for the purpose of providing a revolving loan fund and grant-making program to address the issue of affordable housing in Santa Clara County.

Sunnyvale expects that the HTSCC will commit \$500,000 for the Plaza de las Flores Project that will provide 100 units of affordable housing to low-income and extremely low-income elderly households.

FEDERAL FUNDING RESOURCES

The City expects to receive both CDBG and HOME funds in FY 2004-2005 as an entitlement jurisdiction. Other sources of funding may include competitive programs that the City will apply for if a project is applicable and will encourage and support other non-profit agencies' applications for funds.

Acquisition, Construction and Rehabilitation

Community Development Block Grant (CDBG)

The Community Development Block Grant Program provides funding for a wide variety of housing and housing related activities, including the acquisition/development of new affordable housing units, rehabilitation of existing and affordable housing units, lead-based paint abatement, the removal of architectural barriers, fair housing services and public services.

The City of Sunnyvale, as an entitlement city, receives a direct grant from this program. In FY 2004-05 Sunnyvale's allocation is \$1,504,000 in new grant funds and expects to

receive at least \$522,000 in revolving fund program income to implement multi-family and single family housing rehabilitation activities.

First Community Housing has requested \$1,500,000 of CDBG and HOME funds to acquire an existing site occupied by a 95-room hotel. Total federal funding recommended for this project is \$1,000,000. Additional support of the project by the City may be provided with funds from the City Housing Fund. Emergency Housing Consortium (EHC) has been recommended to receive \$50,000 for "Our House Shelter for Homeless and Runaway Youth" for the construction of a new facility that will provide emergency shelter housing and services. The facility will serve 500 homeless and runaway youth per year with a service center, emergency shelter and transitional housing.

HOME Investment Partnership Act

The City is an entitlement City under the HOME program and will receive \$777,156 in FY 2004. HOME funds may be used for the construction, rehabilitation, or acquisition of housing for low-income households. In 2004-05 HOME funds are expected to be allocated to non-profit groups for CHDO operating funds, acquisition, new construction and preservation of at risk units.

As mentioned above, First Community Housing requested funds for acquisition of a site and conversion of the property into 42 units of affordable rental housing. The project will provide 22-one-bedroom, 14 two-bedroom and 6-three-bedroom units to households with incomes at or below 40% of area median income and with rents limited to 30% of the household income over the next forty years. Fifteen percent of the project units would serve special needs populations at risk of homelessness.

Rental Assistance

Section 8 Housing Choice Voucher Program

The Housing Choice Voucher Program is the main Section 8 program administered by the Housing Authority. This program provides rental subsidies for very-low income households who reside in privately owned rental units.

The Section 8 Program may receive a reduction in vouchers which would mean that some families currently subsidized would lose their funding. In the next year the City hopes to maintain the 711 vouchers in the City by engaging with other jurisdictions and the Housing Authority to support the renewal of Section 8 contracts.

Housing for Special Needs

HUD Section 202

The Section 202 program provides housing and related facilities for elderly persons. HUD issues long-term direct loans to eligible private non-profit sponsors for rental or cooperative housing which will be occupied by elderly persons. The interest rate is determined annually. Subsidies are made available for all of the units.

Section 811

Section 811 provides rental assistance and capital advances to finance the acquisition, rehabilitation or new construction of buildings to be used as supportive housing for extremely low-income persons with disabilities.

Shelter Plus Care Program

This program provides grants for rental assistance for projects that are offered with support services to homeless people with disabilities. Assistance is targeted primarily to homeless persons who are severely mentally ill, have chronic problems with alcohol or drug abuse, or have AIDS/HIV. Rental assistance can be for Single Room Occupancy, Sponsor-Based Rental Assistance (SRA), Tenant-Based Rental Assistance (TBA), and Project-Based Rental Assistance.

Housing Opportunities for Persons with AIDS (HOPWA)

This program provides funds for the acquisition, rehabilitation, conversion, lease and repair of facilities to provide housing and services for persons with AIDS, including: new construction of single room occupancy dwellings and community residences, project or tenant-based rental assistance, short term rent, mortgage and utility payments to prevent homelessness, supportive services, operating costs and housing information services for persons with AIDS.

The City of San Jose administers the HOPWA funds for the county. The City works directly with the Santa Clara County HIV Planning council and the other entitlement jurisdictions in Santa Clara County to determine the appropriate allocation of funding according to need. The 2004 PY HOPWA funds for all of Santa Clara County is \$792,000 in HOPWA.

Environmental Hazard Clean-Up

Lead Based Paint Abatement

The purpose of this grant program is to develop cost-effective community strategies; funds can be used for rehabilitation, planning and operating costs.

STATE AND OTHER FUNDING PROGRAMS

Low Income Housing Tax Credits (LIHTC)

LIHTC allows a development for extremely low and low income households to secure equity financing while providing the lender a tax credit for the funds. This past year, the City supported Mid-Peninsula Housing Coalition (MPHC) with its tax credit application that will support the construction of Moulton Plaza. MPHC received an award of an annual 4% tax federal credit in the amount of \$621,092 for the Moulton Plaza project. The City will continue to support any new projects using LIHTC as a major source of

financing.

California Housing Finance Agency (CalHFA)

CalHFA provides low-interest financing for a number of housing programs designed to benefit primarily persons of low and moderate income. These include a major program to provide loans to non-profit developers of multi-family rental housing.

Both current housing projects' (Plaza de las Flores and Moulton Plaza) loans will secure Bridge Financing and permanent loans from CalHFA.

HELP is a CalHFA program, which is available to cities. It provides a loan of up to \$2 million, to be repaid with three-percent interest in ten years, to support overall goals of the community for provision of affordable housing. Because of its flexibility, and in light of the required 10-year payback, it is recommended that the City apply for these funds to expand the program to provide loans for the rehabilitation of multi-family apartment projects, including those to be converted to affordable for-sale condominiums.

CalHFA offers a first time homebuyer program designed to assist first-time homebuyers in the highest housing cost areas of the state. This is one of the financing tools that will be incorporated in the City's proposed Down Payment Assistance Program.

Santa Clara County Mortgage Credit Certificate Program--MCC

The Mortgage Credit Certificate Program provides financial assistance to first-time home buyers for the purchase of single-family homes, townhouses and condominiums. The MCC gives the homebuyer a federal income tax credit each year the buyer keeps the same mortgage loan and lives in the same house. The MCC tax credit equals 15% of the mortgage interest paid each year. That 15% is subtracted dollar for dollar from federal income taxes. The remaining 85% of mortgage interest is taken as a deduction from gross income in the usual manner.

Multifamily Housing Program (MHP)

The Multifamily Housing Program (MHP) provides funding for affordable housing as a result of the passage of Proposition 46 in November 2002. The purpose of this program is to provide low-interest loans to developers of affordable housing. The MHP General funds may be used for multifamily rental and transitional housing projects involving new construction, rehabilitation, or conversion of nonresidential structures. MHP Supportive Housing funds may be used for multifamily rental housing projects involving new construction, rehabilitation, acquisition and rehabilitation, or conversion of nonresidential structures for permanent rental housing only.

Christian Church Homes has received a loan commitment for Plaza de las Flores in the amount of \$3,531,755 from Housing and Community Development (HCD) for MHP funds

LEVERAGING AND MATCHING REQUIREMENTS

Federal funds will be leveraged to the maximum amount possible. The City will continue to encourage non-profit developers to seek private and State sources of funding, both grants and loans. The City will also use its Housing Fund as appropriate to complement the use of federal and state funding resources to meet community development objectives. In particular, the City provided a second contribution of \$500,000 from the City Housing Fund to assist the Housing Trust Fund of Santa Clara County (HTSCC). The City expects that the HTSCC will commit \$500,000 for the Plaza de las Flores Project of which \$82,035 will be provided to the HOME Program as Local Match.

The City continues to support several human service agencies with funding from the General Fund in order to extend the availability of federal funds. Approximately \$221,203 of General Fund monies is expected to be allocated to various agencies.

GEOGRAPHIC DISTRIBUTION

The City will consider the provision of all types of housing assistance on a Citywide basis consistent with the policies of the City's Consolidated Plan. The City will focus efforts on the CD Strategy areas for housing activities but will consider affordable projects on a citywide basis. Distribution of subsidized housing is located throughout the City.

All of the other programs and support services as described in the Action Plan are available Citywide. New construction or acquisition projects will be located as close to major transportation and service corridors, as practically possible.

PROGRAM-SPECIFIC REQUIREMENTS

Planned Activity: Support Services

In order to ensure the viability of all affordable housing projects, the City will continue to fund projects that provide housing-related support services. CDBG funds have been allocated for the following:

Catholic Charities/Long Term Care Ombudsman Program

This project will receive CDBG funds in the amount of \$12,407 for the purpose of providing advocacy, investigation of complaints, including allegations of abuse and neglect, and problem resolution services for the elderly and other residents with disabilities in the City's Nursing facilities and Assisted Living/Residential Care Facilities for the Elderly.

Catholic Charities/Shared Housing

This project will provide \$11,000 to Catholic Social Services of Santa Clara County, a non-profit organization, to operate a shared housing program to primarily benefit very low to low income persons at risk of homelessness. Single-parents with children and individuals such as seniors, emancipated youth, persons with disabilities and refugees who are at risk of homelessness will be served under this program.

Clara-Mateo Alliance Shelter (CMA)

CDBG funds in the amount of \$4,750 have been allocated to this agency to provide shelter and supportive services to individuals, couples and families to assist them in obtaining stable housing and self-sufficiency. Some of the supportive services include emergency services, crisis intervention, peer counseling, money management, and transportation vouchers.

Community Association for Rehabilitation (C.A.R., Inc.)

CDBG funds in the amount of \$5,653 have been allocated to this agency to support the services to families and individuals who have developmental or other disabilities. C.A.R. provides an infant program, a recreation program, respite services, specialized day care for adults, job training and placement for adults and outreach and education.

Cupertino Community Services (CCS)

CDBG funds in the amount of \$13,937 have been allocated to this agency to support the rotating shelter for homeless men and to provide support services such as food, rental assistance, medical assistance, housing, job counseling, computer training and gas vouchers for the shelter clients. The Rotating Shelter Program helps homeless men secure gainful employment and permanent housing.

Emergency Housing for Sunnyvale Residents/Emergency Housing Consortium of Santa Clara County, Inc.

Sunnyvale HOMES (formerly Sunnyvale Homeless Shelter Services) is an existing program that will provide 9,500 Person Shelter Days in a Continuum of Care of housing-emergency shelter, transitional housing and permanent supported housing. This project will fund emergency housing services with CDBG funds in the amount of \$55,784.

First United Methodist Church of Sunnyvale (Sunnyvale Senior Nutrition Program)

This project will provide \$22,555 in CDBG funds to the First United Methodist Church of Sunnyvale-Senior Nutrition Program to provide meals to approximately 200 unduplicated seniors in Sunnyvale five days per week for 249 days during FY 2004/05. Van transportation services for those unable to travel independently is provided.

Friends for Youth

Friends for Youth will offer one-to-one mentoring services for 30 Sunnyvale youths, matching them with an adult volunteer mentor to help them stay in school and out of trouble. \$17,813 in CDBG funds will be used for this project.

Mid-Peninsula Alano Club (MPAC)

MPAC provides service and opportunity to its membership and the local community in the area of recovery from alcoholism and other addictions. This program will receive \$4,283 in CDBG funding.

Project Match-Sunnyvale Senior Group Residence Services

Project Match, Inc., a non-profit corporation will use \$10,633, to provide support services to seniors living in these group homes that includes on-going interview; assess; refer and/or counsel low-income seniors in a group or individually and referral to needed self-care, mutual care, and or professional care services.

Second Harvest Food Bank- Operation Brown Bag

Funding in the amount of \$5,330 will be provided to the Second Harvest Food Bank of Santa Clara County to operate the Operation Brown Bag program. The Brown Bag provides weekly food supplements to low-income seniors.

Senior Adult Legal Assistance

This project will provide funds in the amount of \$10,479 for the program that provides free legal and advocate services to Sunnyvale seniors.

Sunnyvale Community Services (SCS)

This project will receive \$73,656 in CDBG funding to provide emergency services including financial assistance, food and clothing for low-income residents in crisis or at risk of becoming homeless. SCS expects to serve at least 2,040 unduplicated clients during the year.

Support Network for Battered Women

This agency provides emergency and on-going assistance to victims of domestic violence. Services include emergency shelter, family counseling, and legal guidance. Community education and training programs are also provided. \$22,800 has been allocated to this agency.

The Health Trust-Meals on Wheels

Meals on Wheels provides weekday hot meal deliveries to homebound low income seniors and disabled adults. Homebound, frail and/or disabled clients benefit from a weekday wellness check that the drivers conduct along with the meal delivery. This program will receive \$12,113 in CDBG funding.

Fair Housing Services

This project will fund the continuation of fair housing services provided to Sunnyvale residents. The Fair Housing Study released in January 2003 recommended that to strengthen fair housing services in Santa Clara County, there should be more regional and sub-regional collaboration. In response, the Cities of Mountain View, Palo Alto and Sunnyvale have jointly selected fair housing services from a single provider to serve the three cities that will promote fair housing and investigate complaints of housing discrimination of all types, including racial, sexual, and families with children. This

contract will be funded by CDBG funds for \$30,000. The following summarizes the services to be provided.

Community Education and Outreach which will include education seminars and training workshops, educating potential renters and buyers, and use of local media to promote the concept of affirmative fair housing;

Advocacy and Investigation that will receive, evaluate, and process claims of housing discrimination; provide consultations, counseling and mediation/conciliation, and legal representation; and

Coalition Work and Reporting quarterly reports to be provided to the city, provide staff with technical assistance regarding Fair Housing issues and updating the AI, provide staff with information and analysis of Fair Housing legislation, represent North Santa Clara County at regional meetings, and represent North County on Fair Housing Task Force.

Planned Activity: New Construction

Increase rental housing for low income families, seniors, and the disabled through new construction and innovative solutions, which support affordable housing and are located so that it can be integrated with public transportation systems.

Action: The City will continue to keep informed of any decisions that will be made regarding State and county housing funding and county-owned land that could possibly be used for a non-profit organization to develop senior housing units.

Planned Activity: Rental and Home Buyers Assistance

The area of highest priority for rental and home buyers assistance was small related families and first time home buyers with children.

Action: Through the City's Below Market Rate program over 737 rental and ownership units are available to moderate, low and extremely low-income households. The City continues to demonstrate its support for the development of affordable housing and is currently negotiating with 19 developers that will provide over 80 BMR units in the next two years. During the next year, the City will be adding 14 units of BMR rental and 26 units of BMR purchase units to its inventory.

In February, the City accepted applications for the BMR Home Ownership Program to establish a wait list that will determine applicants for the next 30 months. As a means to better manage information, conduct audits and retrieve relevant program data, a data base was created. The data base will provide a better way to manage both the wait list applications and current BMR owner and rental information. Staff has begun to impute the information to generate the wait list to the data base. Concurrently, developers have been requesting referrals from the BMR wait list in order to initiate the sale of new units. There are currently 180 BMR ownership units throughout the City and 80 more are

scheduled to become available in the next two years.

In order to increase and extend the benefits of the BMR Rental and Purchase programs, the Affordable Housing and Single Room Occupancies Ordinance (Below Market Rate Program) was revised and adopted in February 2003. The terms of all the BMR programs have been amended. Nearing completion is the development of BMR program administrative guidelines for developers, owners and renters. In addition, an on-going audit of the BMR Purchase Program will continue to certify that the low and moderate-income owners who had purchased a BMR unit are continuing to occupy the unit. The importance of the City to continue to provide affordable housing is critical. The City will continue with its efforts so that low-income residents in Sunnyvale can receive the benefit of the City's support.

As a means of providing housing to first-time homebuyers, staff will look at aggressive ways to assist tenants of BMR rental units with restrictions terminating during the next four years, including ways to assist them into home ownership. Last year, the City established a new First-Time Homebuyer Support Program to assist qualified renters (generally 70 to 120 percent of median income), to move into first-time homeownership.

Along with this effort, staff will begin the implementation of this program by developing in 2004/05 detailed program descriptions including eligibility and loan terms for implementation of Independent Development Accounts (IDA) with matching contributions to downpayment savings accounts, Down Payment Assistance Loans up to \$25,000 and provide extensive pre-purchase and post-purchase homebuyer education workshops.

Another critical housing activity that the City will continue to address is the Teacher and Public Employees Housing Program. This housing program is designed to assist qualified employees and teachers obtain housing by providing homebuyer education, security deposit loans and down payment assistance. This program created a state-of-the-art, interactive website to provide information to Santa Clara County residents on all available housing and training programs. This activity is being funded by the City Housing Fund.

Planned Activity: Rehabilitation Activity

Expand the level of participation in the housing rehabilitation programs of both private and non-profit property owners of both owner-occupied and rental housing.

Action: Offer the services of housing rehabilitation as currently provided through the Home Improvement Loan Program; Home Access program, which includes maintenance and repairs of City lifts, and rehabilitation of rental properties. If this level of performance is achieved, the City can anticipate completing rehabilitation to 45 units. Any issues regarding lead-based paint will be addressed under this activity.

Continue to address energy needs of low-income homeowners through the Energy Efficiency Program by replacing inefficient aging appliances, heating systems, windows, increasing insulation, and other types of weatherization improvements. This program will benefit the homeowner by reducing monthly utility costs and benefit the community by reduction of overall energy consumption.

Substantial rehabilitation to approximately 80 units of rental properties includes exterior repairs of the structure (i.e. roof, windows and doors, siding, stairs and painting), as well as electrical, heating, plumbing and replacement of appliances and flooring. The City anticipates additional funding from the HELP program of the California Housing Finance Administration (CalHFA) to leverage interest-subsidized loans from a conventional lender should multi-family investors require assistance..

Planned Activity: Neighborhood Support

Recommended in the Community Development Strategy (discussed further in the CD Strategy section), this new program will support efforts of the single-family and multi-family action areas.

Action: The Neighborhood Improvements Program will provide funding for street trees, streetscape improvements, neighborhood clean-ups, façade and landscape designs, and other targeted projects to improve the physical appearance of the action area neighborhood by elimination of a blighted area..

Planned Activity: Neighborhood Education

Recommended in the Community Development Strategy (discussed further in the CD Strategy section), this new program will encourage and support property maintenance and improvement in single-family and multi-family action areas.

Action: Provide property owner/manager workshops, multi-lingual newsletter to action area residents, home improvement workshops, a tool lending library and a local business resource guide.

Planned Activity: Public Facilities

Action: The City continues to retrofit as many curbs as possible each year so that all intersections in the City conform to ADA requirements.

Other Programs:

The City does not anticipate being directly involved in the following programs but will be supportive of non-profit groups and the Santa Clara County Housing Authority's administration of these programs. The City does not foresee any circumstances that would prevent the City from certifying the applications of other entities that are consistent with the City's Consolidated Plan.

Family Unification Program

This program is directed towards families who are in danger of losing their children because they are homeless or have inadequate housing.

Family Self Sufficiency Program

This program provides families with education, and training. The goal is that families will be off of all public assistance at the end of five to seven years, and will have accumulated a downpayment for purchase of a home.

Moving to Opportunity

This program helps the local housing authority relocate families so that areas of low-income and minority concentrations are desegregated.

Step-UP

This program assists Public Housing and Section 8 recipients in finding job opportunities and training. If there is a publicly assisted rehabilitation project it is used to develop employment training skills for people.

Hope for Elderly Independence

This program provides support services to aid the elderly in being self sufficient in their homes and preventing institutionalization.

EXPANDING HOUSING ACTIVITIES AS DISCRIBED IN THE COMMUNITY DEVELOPMENT (CD) STRATEGY

The CD Strategy identified the following issues in the City: Housing Supply, Housing Affordability, Homeownership, Housing Condition, and Property Maintenance. In response, the City will continue its efforts to address these issues and carry out several activities that will enhance and expand the effectiveness of city programs. The following is an excerpt from the CD Strategy:

Sunnyvale has limited resources to achieve its community development goals. These include the discretionary staff hours in the budget of the Department of Community Development; funds allocated to the City each year by the federal government for community development and housing purposes; Housing Funds generated by intensive industrial development projects; some portion of the Capital Improvement Program for public buildings, streets, utilities, parks, etc.; tax increment funds generated in the Downtown Redevelopment Project; and, regulatory controls through the Zoning Code and Building Code.

The main purpose of the Community Development Strategy is to guide the use of these limited resources to achieve the maximum possible community development benefit. It is an investment strategy. It is intended to direct City investment over the next five years in

a manner which will best maintain and improve the vitality of Sunnyvale and all of its neighborhoods.

Action Areas

There are a few neighborhoods of the city, however, which evidence an unusual concentration of community development challenges, or that present unique opportunities to achieve community development goals. These are identified as proposed action areas.

Action areas demand more than the type and level of community development services currently being delivered throughout the city. They require **a proactive approach to community development.**

Sunnyvale has traditionally delivered community development services on a service-by-service basis. Each service has its own goals and targets, and is generally delivered in an independent manner, not necessarily coordinated with other available services. Action areas require **a more concerted approach to service delivery.** Programs and services must be packaged into a strategy that addresses the specific needs of the action area. The strategy for an action area must be unique to that area. Therefore, the types and amounts of community development service delivered to these areas will not be the same, and the level of service in action areas will likely be higher than is provided citywide.

Activities

This past year, the City made a significant impact in the overall effectiveness of various programs identified in the CD strategy. The City will continue to enhance these programs and concentrate its efforts in those areas of special need in the following action areas:

Single-Family Neighborhood Action Areas

- Lakewood Village:

The strategy will include the following programs:

- ♦ **Single-Family Housing Rehabilitation**, wherein low-interest loans are made available for properties housing families with income at or below 80 percent of median income.
- ♦ **Paint Grants and Loans** to assist in the acquisition of painting materials and to allow elderly homeowners to hire contractors to paint the exterior of their homes.
- ♦ **Neighborhood Improvements**, including streetscape improvements, neighborhood clean-ups, model façade and landscape designs, front yard landscaping through group buying or business contributions, and other targeted projects

to improve the physical appearance of the individual properties and the neighborhood.

- Victory Village:

Like the strategy for Lakewood Village, the strategy for Victory Village is a **concerted effort of numerous housing programs**; however, because in this case it is housing condition rather than property maintenance which is the primary problem, the strategy is **focused primarily upon housing rehabilitation. Neighborhood residents and property owners must be fully engaged in the process.** The strategy will include the following programs:

- ◆ **Single-Family Housing Rehabilitation.**
- ◆ **Concentrated Code Enforcement.**
- ◆ **Paint Grants and Loans**, to assist in painting the exterior of homes.
- ◆ **Neighborhood Improvements**, including neighborhood clean-ups and model façade and landscape designs.
- ◆ **Neighborhood Education** to assist homeowners with home improvements.
- ◆ **Development of a Housing Program's brochure**, to target homeowner outreach.

Multi-Family Neighborhood Action Areas

- Ahwanee:

The strategy for this action area is for the **development and redevelopment of affordable rental housing**. The City will actively **seek partnerships with non-profit agencies to acquire land for development of reasonably priced rental housing units**. Rental units should focus on providing housing to households from 30 to 80 percent of median income, with rent limited to 30 percent of gross household income. Nevertheless, the increase in density should allow for mixed-income projects, so that the area does not remain a concentration of low-income households. **Family housing to provide adequately sized units for large families should be encouraged.**

The strategy will include the following programs:

- ◆ **Acquisition and Construction Projects.**
- ◆ **Acquisition and Rehabilitation Projects.**
- ◆ **Rental Housing Inspection**, a proposed citywide program, should have priority in this area.
- ◆ **Neighborhood Improvements**, particularly street trees.
- ◆ **Rezoning** to General Plan density as quality projects are submitted for entitlement.
- ◆ **Provide CHDO Operating funds** to engage in activities that

will create opportunities for affordable homeownership

- San Juan:

The strategy for the San Juan neighborhood is focused **on multi-family housing rehabilitation and reconstruction. The City will actively seek partnerships with non-profit agencies to acquire existing apartment units for substantial rehabilitation or demolition and replacement with new rental housing.** These new or rehabilitated apartments should focus on serving households at 30 to 80 percent of median income, with rents limited to 30 percent of gross household income. **Family housing of adequate size for large families should be encouraged.**

Special attention should be given to the duplex units in the northern part of the area. The City will **actively seek partnerships with non-profit agencies to acquire the duplex units on a parcel-by-parcel basis, rehabilitate them, and then subdivide them for sale to two first-time homeowner families** with incomes in the range of 70 to 120 percent of median. This will support our goal to provide increased opportunities for homeownership.

The strategy for San Juan will include the following programs:

- ◆ **Acquisition and Rehabilitation Projects**, including assembly of four-plexes into single ownership so as to facilitate on-site management.
- ◆ **Multi-Family Housing Rehabilitation**, providing incentives and assistance for current owners of apartment projects.
- ◆ **Neighborhood Improvements**, particularly street trees.
- ◆ **Rental Housing Inspection.**
- ◆ **Review of Zoning and Subdivision Ordinances**, to insure that duplexes can be subdivided and sold separately.
- ◆ **Homebuyer Assistance**, to help renters purchase duplex units as they become available.
- ◆ **Targeted Outreach**
- ◆ **Provide CHDO Operating Funds** to engage in activities that will create opportunities for affordable homeownership.

- HOLA:

The strategy for the eastern part of HOLA is **targeted multi-family housing rehabilitation.** Because of their relatively young age and less severe deterioration, practically none of the apartments need to be demolished and replaced. The City will **work with existing owners to encourage substantial rehabilitation, and actively seek partnerships with non-profit agencies to acquire properties for rehabilitation.** Opportunities exist in this area for **condominium conversion** to allow renters with household income between 70 and 120 percent of median to achieve homeownership, in support of our goal to provide increased opportunities for owner-occupied

housing. Rehabilitated rental units should be focused on providing housing for households from 30 to 80 percent of median income, with rents limited to 30 percent of gross household income.

The strategy for the eastern part of HOLA will include the following programs:

- ◆ **Multi-Family Housing Rehabilitation.**
- ◆ **Acquisition and Rehabilitation Projects**, including assembly of smaller apartment projects into single ownership so as to facilitate on-site management.
- ◆ **Condominium Conversion.**
- ◆ **Rental Housing Inspection.**
- ◆ **Homebuyer Assistance**, to help renters purchase condominium units as they become available.
- ◆ **Provide CHDO Operating Funds** to engage in activities that will create opportunities for affordable homeownership.

FUNDING SOURCES TABLE**FY 2004/2005****CDBG****2004/2005 CDBG INCOME**

Grant	\$1,504,000
Anticipated RLF (Program Income)	\$522,000
Total CDBG Funds available	\$2,026,000

2004/2005 CDBG EXPENDITURES

PROGRAM ADMINISTRATION (20%)	\$377,522
General Administration	\$315,522
Fair Housing	\$30,000
Consolidated Plan	\$17,000
Indirect Cost Plan Study	\$15,000
PUBLIC SERVICES	\$283,193
OGF Agencies	\$283,193
REHABILITATION	\$791,476
Single Family owner occupied (RLF)	\$416,000
Multi Family Renter occupied (RLF)	\$106,000
Paint Grants and Loans	\$50,000
Home access grants	\$30,000
Housing Rehab Admin	\$189,476
NEIGHBORHOOD IMPROVEMENTS	\$79,000
Neighborhood Support	\$75,000
Neighborhood Education	\$4,000
PUBLIC FACILITIES	\$150,000
ADA	\$100,000
Our House-Emergency Shelter (EHC)	\$50,000
ACQUISITION	\$344,809
Housing Acquisition Program	\$213,335
Preservation at risk units	\$100,019
Housing Acquisition Admin	\$31,455

HOME**2004/2005 HOME INCOME**

Grant	\$777,156
Program income	\$0
Total HOME Funds available	\$777,156

2004/2005 HOME EXPENDITURES

PROGRAM ADMINISTRATION (10%)	\$77,643
Home Administration	\$77,643
CHDO	\$151,573
CHDO Set Aside (15%)	\$116,573
CHDO Operating (5%)	\$35,000
HOME PROJECTS	\$547,940
Preserve at risk/Acquisition New	
Construction and other HOME Activities	

MONITORING

The City of Sunnyvale has established a monitoring process which has been evaluated by the Regional Office of HUD and has met the requirements set forth by HUD for those activities. The HUD evaluations have consisted of programmatic and financial review.

The process that the City will continue to follow includes annual on-site monitoring consisting of a review of the following: Agency Administration, Fiscal Management, and Program Management. The subrecipient will maintain documentation of performance indicators available for inspection, with an audit trail from source document worksheets to reports.

The City will continue to review on an annual basis, the progress made in achieving the goals outlined in the Consolidated Plan. The City will continue to prepare detailed agreements with subrecipients outlining the responsibilities involved with the receipt of federal funds and the performance standards which will need to be met. Subrecipients will be required to submit quarterly performance reports describing which program goals have been achieved. In addition, the City is required to prepare annual end of year evaluations for the use of CDBG funds by outside funding agencies, which are submitted to the Housing and Human Services Commission for evaluation during the Outside Funding application process.

Since the City of Sunnyvale is currently providing Federal funds to eligible sub-recipients for housing activities, it is anticipated that the existing monitoring process will be utilized. However, if a new program is available which requires modification to the monitoring process to assure compliance with the new program, those modifications will be incorporated at the time of funding of the new program.

HOME funded housing will be included in this process. This will include monitoring of rental loans for compliance with regulatory agreements, occupancy and rent requirements, property maintenance, and loan repayments.

The City of Sunnyvale will continue to follow the monitoring requirements for the use of federal funds as directed by HUD including monitoring its own performance for the timely expenditure of funds.

U.S. Department of Housing and Urban Development
CPD Consolidated Plan
Support of Applications by Other Entities Report

Funding Source	Support Application by Other Entities?
A. Formula/Entitlement Programs	
ESG	Y
Public Housing Comprehensive Grant	Y
B. Competitive Programs	
HOPE 1	Y
HOPE 2	Y
HOPE 3	Y
ESG	Y
Supportive Housing	Y
HOPWA	Y
Safe Havens	Y
Rural Homeless Housing	Y
Sec. 202 Elderly	Y
Sec. 811 Handicapped	Y
Moderate Rehab SRO	Y
Rental Vouchers	Y
Rental Certificates	Y
Public Housing Development	Y
Public Housing MROP	Y
Public Housing CIAP	Y
LIHTC	Y